



# OFFICE OF THE UTAH STATE AUDITOR

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## The Office of the Utah State Auditor Releases *A Performance Audit of State Buildings and Land* *Report Identifies Significant Opportunities for the State to Improve the Management, Security and Oversight of State Buildings and Land*

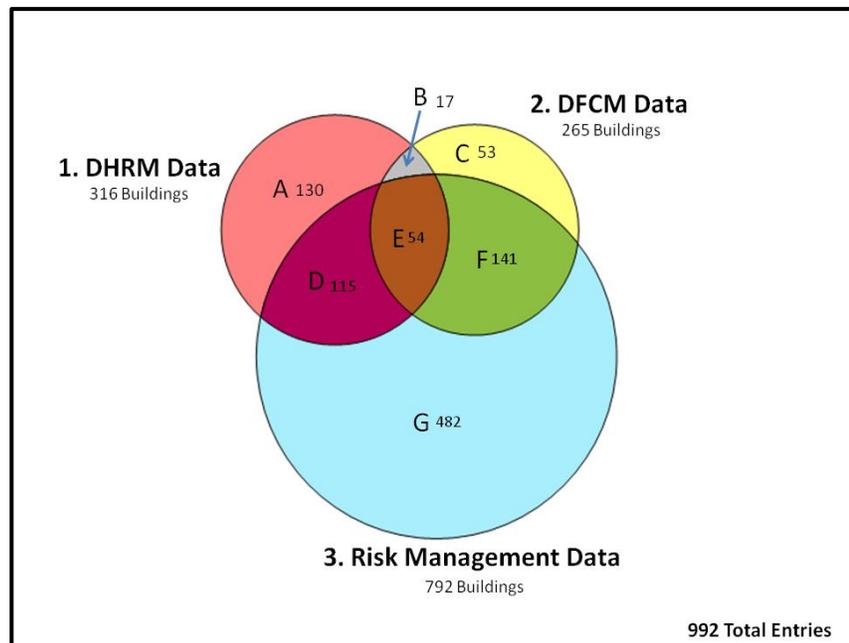
### Salt Lake City, Utah

The recently completed *Performance Audit of State Buildings and Land* has identified a number of risks to taxpayers as well as opportunities to reduce costs and improve oversight of these key state resources. The state's Department of Administrative Services (DAS) could enhance accountability to taxpayers by maintaining an accurate building inventory and properly insuring state-owned and state-leased buildings

Neither the Division of Facilities Construction and Management (DFCM) nor the Division of Risk Management (Risk Management)—both divisions of DAS—accurately account for buildings used by state entities, despite statutory obligations to do so. Furthermore, the state's Department of Human Resource Management, which maintains a list of state employees, does not accurately account for the physical location of those employees. The graphic

above shows the limited overlap of these existing inventories from these three state entities. The absence of a complete and accurate inventory limits the ability to conduct a thorough space utilization review.

In addition, the audit identified opportunities for the state to reduce the cost of offices for state agencies in Salt Lake County. The state could reduce annual lease payments by \$4.6 million by consolidating 12 state agency leased offices into a state-owned multi-agency office building in Salt Lake County



An important element of protecting the state's real estate asset belongs to Risk Management. It is the responsibility of Risk Management to provide internal insurance for state facilities. The audit found that state entities underinsure buildings by almost \$200 million, increasing the state's liabilities and decreasing capital improvement funding. The audit recommends that state entities insure buildings at their replacement value.

DFCM owns various plots of vacant land that could be used to benefit the state. For example, one of the largest commercially valuable plots along the Wasatch Front is a parcel of up to 280 acres in Utah County that is part of the Utah State Developmental Center (USDC). Approximately 200 of Utah's most vulnerable citizens reside at the USDC; however, the campus includes dilapidated buildings and infrastructure. One example of the poor condition of the USDC campus is a leaky hot-water piping system that loses approximately 6.1 million gallons of water per year and creates hazardous steam vents throughout the campus. Proceeds from the development of this land could significantly improve the USDC campus while reducing risks found in the antiquated buildings and infrastructure.

As a final concern, the audit identifies that security in the Capitol Complex is not as robust as it should be. The in-depth study of two Capitol Complex entities' office space found that nearly 90 percent of all security cards gave access to non-entity persons, most of whom have unrestricted access to the office space 24 hours per day, seven days per week. Non-state employees, employees from other agencies, and terminated employees are among the groups of individuals who have unrestricted access to Capitol Hill agency office space. The Department of Public Safety (DPS) oversees security card access to employees and contractors as needed. However, state agencies bear final responsibility for who has access to their facilities in order to protect office and data security. It became clear that there is no consistent process for managing the list of people who have access to a given agency's space in the Capitol Complex and that both agencies and DPS need to put in place time limits and a review process for security access.

Implementation of the recommendations found in this audit report will increase transparency and security of the state buildings, reduce state office costs, and improve state risk management.

A link to the complete audit report can be found at [auditor.utah.gov/news/](http://auditor.utah.gov/news/)

### **About the Office of the Utah State Auditor**

The Office of the Utah State Auditor provides Utah taxpayers and government officials with an independent assessment of financial operation, statutory compliance, and performance management for state and local government.

Specific activities of the Office include performing financial audits, conducting Federal funds compliance audits, providing local government oversight, conducting agency and program performance audits, performing fraud & compliance audits, and operating the State Auditor Hotline for citizens to report suspected financial issues or improprieties. These capabilities strengthen Utah State Government and help taxpayers have confidence in the integrity of Utah's government agencies.

The Utah State Auditor is a Constitutional Officer of the State of Utah, elected directly by the state's citizens every 4 years. The role of the Utah State Auditor is authorized in Article VII, Section 15 of the *Utah Constitution*. Please see [Auditor.Utah.gov](http://Auditor.Utah.gov) for additional information about the office.

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